

THE ORANGE COUNTY REGISTER

An Awful Excuse For a Stimulus Bill

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Last September, we cautiously backed away from the precipice of financial collapse, but we are still a long way from getting our economy growing, flourishing, and functioning properly. Now, more than ever, we need innovative economic policies, not the political gamesmanship already playing out across all areas of government.

Republicans, Democrats, members of Congress, senators and the president all agree that America needs help, but that is where the agreement ends. The \$825 billion stimulus package, which Congress was scheduled to vote on today, is, for lack of a better phrase, perfectly awful.

This package fails to meet all three criteria for successfully stimulating the economy; in fact, this bill contains 152 specific and separate appropriations. In reality, this is not a “stimulus” package at all. It is nothing more than another bloated spending bill.

The three criteria for an effective stimulus bill are:

- It must actually be stimulative. This may sound obvious, but Beltway insiders at both ends of Pennsylvania Avenue cannot seem to grasp this necessity. The package we have seen includes multiple questionable expenditures, but including hundreds of millions of dollars to pay for contraceptives, the National Endowment for the Arts, and new cars for government employees is absurd. Regardless of your views on the efficacy of these programs, do they actually stimulate the economy?
- Any spending must have substantial multiplier benefits. Even the most ardent Keynesian should be ashamed of what we see in this package. President Barack Obama has previously called for substantial spending on infrastructure, however, this bill contains a paltry \$30 billion for roads and highways, accounting for less than 4 percent of the \$825 billion total. However, there is substantial funding for modernizing, or “greening” federal buildings and schools. Such projects will not have any kind of multiplier effect in the long term. The only stimulus this will be providing is a short-term job for those doing the modernizing and “greening.” Once the project is done, the job is finished, and we are right back at Square One.
- It must be done quickly and decisively. Let’s assume that throwing more money at the public education system will fix it; I personally don’t believe it, but for argument’s sake let’s make the assumption. In this stimulus bill, school spending accounts for about one-sixth of the recovery package. Education is great, and we need to make sure that we are educating the best and the brightest in the world, but this package needs to be about fast action and stimulating the

economy, not improving education. Sure, the argument can be made that this will be stimulative in terms of having more educated people coming into the workplace, but that won't occur for at least a decade. Moreover, the nonpartisan Congressional Budget Office reported that only \$26 billion of this amount will be spent in the next six months, even though the bill calls for all grants and contracts to be let out within 90 days. There is no way around it; this is not quick and decisive.

This stimulus package is nothing more than a political grab bag of spending, and a lot of it. Clearly, the mission has been forgotten. The goal here is to make this recession shorter and shallower, and to keep more American families in their homes, jobs, and businesses.

Last year alone, 2.6 million U.S. jobs were lost, the most in any year since 1945. Unemployment has risen to 7.2 percent, and even higher in California. If that doesn't scare you, it should.

If House Speaker Nancy Pelosi and President Obama are serious about stimulating this economy and getting America back on track, they ought to take another look at their spending bill and decide what they are really trying to accomplish with it.